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CRAXI REPORT NOTES SIGNS OF INCREASING TERRORISM

AU081946 Rome ANSA in English 1930 GMT 8 Mar 85

[Text] (ANSA) Rome, March 8 -- Signals indicating the resumption of neofascist and leftwing subversion and international terrorist activities in Italy are becoming matters of concern, Premier Bettino Craxi affirmed today in his semester report on the nation's intelligence services sent over to the parliamentary watchdog commission.

The document, which covers the period May 22 to November 22 last year, a span which does not include the pre-Christmas neofascist bombing of an express train, noted that the areas of high risk of leftwing terrorism including Rome, the northwest Ligurian region and the central Tuscan region. The premier also said that there are indications that groups linked to the "autonomist" movements of the 1970's are re-organizing.

The report referred to apparent attempts to rebuild neofascist subversive [strength?] in the region of which Rome is the capital and in the northeastern Veneto region.

Touching on the issue of international terrorism, the document noted concern for the presence in Italy of a number of Palestinians and Libyan nationals who opposed the regime led by Colonel Mu'ammarr al-Qadhdhafi.

Other matters taken up in the report were terrorist attacks conducted against NATO targets and the intensification of espionage activities waged by foreign power in Italy.

LIBYAN ENVOYS RAPS REACTION TO AL-QADHDHAFI SPEECH

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[Text] (ANSA) -- Rome, March 8 -- Libyan leader Mu'ammarr al-Qadhdhafi's recent remarks interpreted by many international observers as a threat to support international terrorism and their bearing on relations with Italy were discussed today by the head of the Libyan diplomatic representation in Rome who charged that the Italian press and some politicians were "willingly mistaken" in their comments on Al-Qadhdhafi's statement.

The secretary of the Libyan People's Office in this capital, 'Abd al-Rahman Shalgam, told the ANSA news agency that his country's Foreign Ministry had recently contacted the Italian charged d'affaires in Tripoli "and he explained to him the real scope of Colonel Al-Qadhdhafi's remarks."

"The Italian side well understood the significance of our leader's speech, which was not at all a threat to Italy," the diplomat insisted.

"We Libyans, moreover, have confidence in Italy. We feel the nation can play a precious role for peace in the Mediterranean and we want to cooperate and maintain good relations" with Italy, he continued. Shalgam added: "Italy is a friendly country and we are prepared to do everything which allows us to maintain this friendship".

At this point, he accused the nation's press and some political figures of being "willfully mistaken" in their interpretation of Al-Qadhdhafi's speech. "A certain racism, a residue of colonialism, emerges out of these interpretations. I want to clarify once and for all that the Red Brigades are, for us, a terrorist organization just as are the Libyan organizations which have conducted attacks against our country," he argued.

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"We, without doubt, will be friendly with those who are friendly to us but enemies with those who are enemies. If Italy helps the terrorists who are hostile to us, we will do the same. We treat all nations equally, just as they treat us. It's an international principle, an excellent one, moreover," he said.

When asked if there are indications of support in Italy for "Libyan opponents", the head of the diplomatic representation said: "There are some problems. So much that it's true that the so-called Libyan opponents publish their brochures in Italy and freely come and go to the peninsula to the point that we often ask whether it's possible that one day men of the Red Brigades will come to us to ask, for example, to open a radio station. For us, this is not possible. We would never do it. All this is a part of the incomprehension and the mistakes which are being committed," Shalgam said.

The Libyan official went on to affirm that his country "is the only one in which there is a law which combats terrorism. The same cannot be said for France, which hosts people like (Italian Orest) Scalzone and others responsible for subversive activities.

"The Italian press wrote about al-Qadhafi's aid to the Irish Republican Army. But the United States has recently given 15 million dollars to IRA to help it. (British Prime Minister Margaret) Thatcher spoke to (American President Ronald) Reagan about it but we have seen nothing about all this published in the Italian newspapers. What kind of a way is this to inform?"

Shalgam then said that his country's relations with Italy are "excellent" despite Libya's demands for the payment of war damages arising out of Italian colonial activities before and during [as received] the Second World War.

"We accepted the construction of a hospital as an initial act which will allow us to find a solution to the issue", he explained and continued: "The fact is that Italy considers settlement as something symbolic and not real. It's not this way for us. And though I don't believe this problem can influence our relations in a decisive fashion, Italy must recognize that it really did damage in Libya".

The Libyan diplomat then referred to the first direct contact between his country and Great Britain since the breakoff in diplomatic relations in April last year in the wake of the incident at the Libyan Embassy in London. Italy is managing British interests in Libya and the meeting between Libya and British delegations was held in Rome.

"Discussion began according to the established plan. I think the contacts will continue because the first encounter was positive and allowed us to achieve concrete results which were good for both sides", the diplomat said.

With reference to British press reports of British requests for a Libyan indemnity for the death of a British policewoman shot in front of the London Embassy, the diplomat said: "The English were told fully and clearly that the woman was probably killed by those who cause themselves to be called Libyan opponents for the purpose of souring relations between the two countries.

"The request for an indemnity, as a consequence, is considered ridiculous and absurd," he said.

#### TERRORIST KILLED BY POLICE IN TRIESTE

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[Text] Thirty-four year old reputed terrorist Pietro Graco was killed today in a shoot-out with police in Trieste. Graco was known as a member of the leftist underground organization "Autonomous Workers". He also belonged to another group called the "Fighting Communist Front" which has attempted to kill about 30 people.

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